

1 KAR 2:010. Government Contract Review Committee; procedure; records.

RELATES TO: KRS 45A.700, 45A.705, 45A.710, 45A.715, 45A.720

STATUTORY AUTHORITY: KRS 7.320(2), 45A.720

NECESSITY, FUNCTION, AND CONFORMITY: KRS 45A.720 requires the Legislative Research Commission to prescribe rules governing the manner and form which personal service contracts are to be reviewed.

Section 1. A permanent subcommittee of the Legislative Research Commission, to be known as the Government Contract Review Committee, shall be composed of seven (7) members which shall include members of the minority party as nearly proportioned to their membership in the general assembly as mathematically possible.

(1) The Legislative Research Commission shall appoint from the membership of the general assembly as follows:

- (a) Four (4) members from the House of Representatives; and
- (b) Three (3) members from the Senate.

(2) The Government Contract Review Committee shall meet monthly at such time and place as selected by the chairman.

(3) A quorum shall require at least four (4) members present and the vote shall be by majority.

(4) The members of the subcommittee shall serve for a term of two (2) years, with the chairman being appointed by the subcommittee.

(5) Vacancies which may occur in the membership of the subcommittee shall be filled by the Legislative Research Commission at its next regularly scheduled meeting after the occurrence of the vacancy.

(6) The subcommittee shall act on a personal service contract properly submitted to the Legislative Research Commission within thirty (30) days of its submission, except as provided in Section 2(2) of this administrative regulation.

Section 2. No one shall begin work on a personal service contract made by any contracting body after July 15, 1982, except in the event of a governmental emergency, until after three (3) copies of the personal service contract are forwarded to the office of the Legislative Research Commission.

(1) The Legislative Research Commission shall cause to be endorsed on the copies of each personal service contract submitted the time and date of the filing thereof and shall maintain a file of such personal service contracts for public inspection, indexed as follows:

- (a) By vendor name (alphabetically);
- (b) By state agency (organization); and
- (c) By type of service provided.

(2) For a contract to be reviewed by the subcommittee at its next regularly scheduled meeting, it must be submitted to the Legislative Research Commission on or before the last day of the month preceding the meeting. All documents received after the end of the month will be deferred to the next regularly scheduled meeting.

(3) Each personal service contract and each copy thereof submitted for review will have attached a completed proof of necessity form which at a minimum will include the following information:

- (a) A statement which describes, in detail, the need for such services;
- (b) A statement which justifies, in detail, the purchase of service as opposed to the provision of service, i.e., unavailability/nonfeasibility;
- (c) The total projected cost;
- (d) The stated duration;
- (e) An affirmative statement attesting to the existence of a thirty (30) day cancellation clause;

(f) A copy of the purchase contract indicating maximum amount of the contract.

(4) Notification of approval will be transmitted back to the contracting body in the form of a stamped contract attesting to such approval, within thirty (30) days of such action.

(5) If the subcommittee believes that the contract service is not needed, the service could and should be performed by state personnel, the cost is excessive, or the duration is excessive, the subcommittee shall:

(a) Attach to the personal service contract a written notation of its disapproval, including a statement of the reasons therefore, and shall return the personal serviced contract to the Secretary of the Finance and Administration Cabinet.

(b) Notice of such disapproval shall be given by the subcommittee to the Director of the Legislative Research Commission and agency involved.

Section 3. Payment on a personal service contract shall not be made until after the contract has been approved by the subcommittee except as provided for in Section 4 or 5 of this administrative regulation.

Section 4. If the Secretary of the Finance and Administration Cabinet determines that the time involved with the normal review procedure would cause a detrimental effect upon the Commonwealth's ability to act or procure services, he may approve an emergency payment after notification and explanation of this action is forwarded to the subcommittee.

Section 5. In the event of a governmental emergency, three (3) copies of the statement declaring the emergency, approved by the Secretary of the Finance and Administration Cabinet, shall be filed with the contract.

Section 6. (1) Personal service contracts objected to or disapproved by the subcommittee shall be forwarded to the Secretary of the Finance and Administration Cabinet. The secretary of the Finance and Administration Cabinet shall determine whether a personal service contract:

(a) Shall be revised to comply with the objections of the subcommittee; or

(b) Shall be cancelled if disapproved by the subcommittee; or

(c) Shall remain effective as originally approved by the Finance and Administration Cabinet.

(2) The Finance and Administration Cabinet shall notify the subcommittee of the action taken on personal service contracts disapproved by the subcommittee within thirty (30) days from the date the contracts were reviewed by the subcommittee.

(3) The subcommittee shall report monthly to the Legislative Research Commission all action taken on personal service contracts by the Secretary of the Finance and Administration Cabinet and the subcommittee. (4 Ky.R. 621; eff. 8-2-1978; 7 Ky.R. 18; 294; eff. 9-3-1980; 9 Ky.R. 793; 988; eff. 2-2-1983; Crt eff. 2-19-2020.)